



Streamlined Banking Newsletter

August 2006
Issue 1

sao.georgia.gov (404)-656-2133

Important Dates to Remember

* Date Change

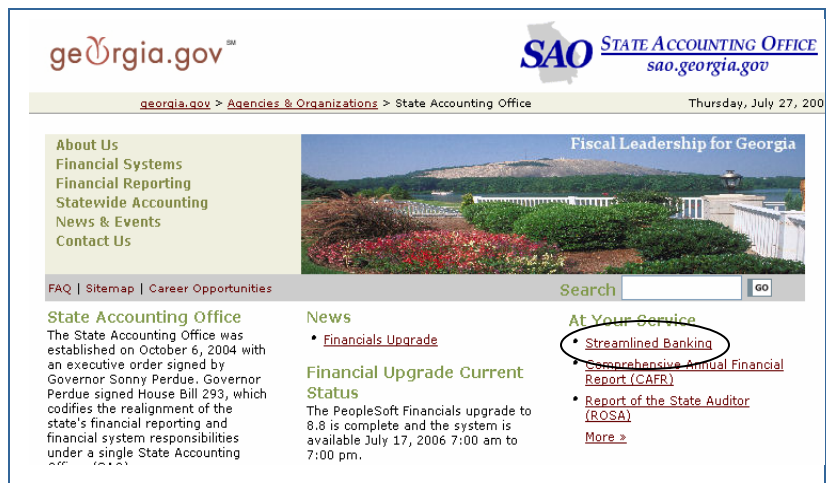
- September 13, 2006 - Transition Session #1 *
- October 5, 2006 - Transition Session #2 *
- November 2, 2006 - Transition Session #3 *
- November 30, 2006 - Transition Session #4
- January 4, 2007 - Transition Session #5 *

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Check Out Our Website!

<http://sao.georgia.gov>



Meet Project Management

Project Sponsors

Lynn Vellinga - State Accounting Officer
W. Daniel Ebersole - Director of OTFS

Business Owners

Steve Caffarelli - Office of Treasury and Fiscal Services
Jeremie Peterkin - State Accounting Office
Sherrie Southern - State Accounting Office

Project Managers

Tom Fruman - Georgia Technology Authority
TBD - State Accounting Office
Tiffani Nevels - Accenture

See Spotlight Article on
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Spotlight on the Streamlined Banking Project

In late 2004, the Governor of Georgia, through the Commission for a New Georgia, created the Receivables Task Force. The purpose of the Task Force was to review state practices related to the accounts receivable policies and procedures. The Task Force documented key findings and created recommendations for several areas. One of the identified areas was Cash Accounts. It was recommended that a program be initiated to consolidate and/or eliminate bank accounts that do not have legal restrictions and to initiate a consolidation plan to centralize specific accounting functions.



As a result, the Office of Treasury and Fiscal Services (OTFS) and the State Accounting Office (SAO) have initiated the Streamlined Banking Project. The primary objectives of this project are to increase investment earnings and reduce bank fees. These objectives will be accomplished by centralizing cash, reducing the number of bank accounts, centralizing business processes and implementing PeopleSoft Cash Management. The current bank account structure will be consolidated into two centralized Zero Balance Account (ZBA) disbursement accounts, one centralized concentration account to concentrate daily cash, one depository ZBA account per agency, and local depository accounts that agencies may choose to maintain aside from the main depository account for specific business needs. PeopleSoft Cash Management will be implemented to automate processing and streamline the cash management business processes including bank administration, bank reconciliation, and settlement processing.

SAO and OTFS will be jointly responsible for bank administration, bank communication, cash positioning, exception handling, settlement generation, and bank reconciliation of the main concentration and disbursement accounts. Agencies will continue to be responsible for reconciling their respective depository accounts, receipt and settlement processing, budgeting functions, and accounting.

*SAO – Fiscal Leadership
for Georgia*

Benefits for the State:

- Maximize interest returned on invested balances.
- Increase savings on bank fees.
- Increase availability of cash.
- Improve the data available for reporting and management purposes.
- Centralize responsibility for Bank Accounts.
- Centralize disbursement processing.
- Reduce the number of bank accounts.

Spotlight on the Streamlined Banking Project (continued)

Benefits for the Agencies:

- Limit responsibility for bank reconciliation process.
- Allow agencies to concentrate on primary business.
- Reduce duplication of effort by recognizing revenue at the point of origination.



The Streamlined Banking Project will be a phased roll out starting with 6 pilot agencies scheduled to go live in early 2007. The 6 pilot agencies are:

- State Accounting Office (SAO)
- Department of Administrative Services (DOAS)
- State Board of Pardons and Paroles (P&P)
- Department of Banking and Finance (DBF)
- Department of Audits and Accounts (DOAA)
- Office of Treasury and Fiscal Services (OTFS)

A project plan for bringing the remaining PeopleSoft agencies on to the Streamlined Banking solution is being developed.

Did You Know?



- The State of Georgia currently has a decentralized banking structure where each state agency maintains their own bank accounts and banking relationships.
- State agencies maintain eight regional banking relationships.
- State agencies have a total of 1471 bank accounts, including but not limited to, 259 operating accounts, 111 payroll accounts, 201 trust accounts, and 113 other accounts.
- Agencies receive a daily average of 263 deposits and disburse a daily average of 74 wires, 20 manual checks, 2236 checks, and 351 electronic fund transfers (EFT).
- The payroll processes for the State of Georgia are also de-centralized.

A Letter from the Sponsors



Fiscal Leadership for Georgia

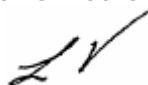
Sonny Perdue
Governor

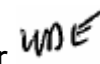
Lynn H. Vellinga
State Accounting Officer

200 Piedmont Avenue 1604 West Tower Atlanta, GA 30334 phone (404) 656-2133 fax (404) 463-5089

Date: July 27, 2006

To: Agency Heads and Fiscal Officers

From: Lynn H. Vellinga 
State Accounting Officer

W. Daniel Ebersole, Director 
Office of Treasury and Fiscal Services

Re: Streamlined Banking Summary

As you know, the State of Georgia currently has a de-centralized banking structure where each state agency maintains individual banking relationships and bank accounts with a total of 1471 accounts. In late 2004, a Commission for a New Georgia (CNG) task force recommended to the Governor consolidating and/or eliminating bank accounts that do not have legal restrictions and centralizing certain accounting functions such as payroll and accounts payable.

This recommendation led to the initiation of the Streamlined Banking Project by the Office of Treasury and Fiscal Services (OTFS) and the State Accounting Office (SAO). The primary objectives of the project include:

- Increasing investment earnings
- Reducing bank fees
- Improving internal controls
- Reducing payments/fund transfers between state agencies

Through implementation of the Streamlined banking Project, the State expects to cumulatively **save** approximately **\$5 million to \$15 million** over the next five years.

In order to select the banks for this project, OTFS and SAO conducted two separate RFPs, one for the disbursement account(s) and one for the main depository account. Based on the RFPs, Bank of America was selected for the main depository account and Wachovia was selected for the disbursement account.

The implementation of the Streamlined Banking Project will begin with six pilot agencies in early 2007. These agencies are: the Department of Administrative Services, the Department of Audits and Accounts, the Department of Banking and Finance, the SAO, the State Board of Pardons and Paroles, and the OTFS.

Please be aware that this project only impacts operating and payroll accounts of state agencies that are currently on the SAO's PeopleSoft 8.8 Financials installation. Eligible agencies which are not participating in the pilot will not be considered for transition onto the new structure until after the pilot has been completed.

July 27, 2006

Streamlined Banking Summary

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Again, it is important to note that this project will not affect the banking practices of state authorities or other state entities, such as the Board of Regents and the Department of Labor, that are not on the SAO's PeopleSoft Financials installation.

At this time we anticipate transitioning other eligible agencies from mid-2007 through the end of 2008. However, no changes will occur until a suitable transition plan has been established with the affected agency. Therefore, all other eligible agencies may continue to maintain their individual banking relationships.

For more information please contact Jeff Carman at (404) 651-8974 or Toni Kennelly at (404) 463-1993.

Upcoming Events!

Transition Sessions

The Transition Sessions will disseminate important information to Leadership, Key Users and Production Support concerning the Streamlined Banking Project and the transition activities ahead.

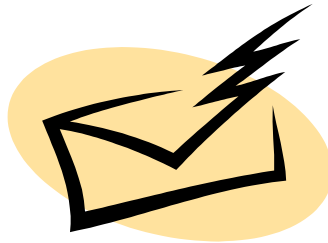
| Session | Course Description and Modules | Planned Date | Time | Location | Course # | Session # |
|--|--|--------------------|----------|--|----------|-----------|
| Transition Session #1: Streamlined Banking Overview | This session provides an overview of the State of Georgia's goals for the Streamlined Banking initiative, benefits roles and responsibilities, and the high level deployment approach. This session will also discuss: <ul style="list-style-type: none">• Training Overview• Resources Available Upcoming Sessions | September 13, 2006 | 9am-11am | 200 Piedmont Ave, Suite 1514 (GTA) B & C, West Tower | 407FR01 | 0001 |

Have your Agency Training Coordinator sign you up today! If your agency has no training coordinator or the session is full, please email SLBFeedback@sao.ga.gov and someone will register you for the session number listed above. Please be sure to have you employee ID number, phone number, and email address ready.



Glossary of Terms

- **EFT** – Electronic Funds Transfer – an electronic transfer of funds from one account to another
- **RFP** – Request for Proposal – a written formal request sent out for pricing and service quotes
- **SB** – Streamlined Banking
- **SMEs** - Subject Matter Experts
- **UPK**- User Productivity Kit- an interactive on-line training tool used for system training in PeopleSoft
- **ZBA** – Zero Balance Account – a bank account in which a balance of zero is maintained by an automatic transfer of funds to and from a master account



For more information on the Streamlined Banking Project or comments/questions about the Project Newsletter, contact the communications team at:

SLBFeedback@sao.ga.gov

!!! New Streamlined Banking Feedback email address is coming soon !!!

Additional information can also be found at the SAO Website by clicking on the Streamlined Banking link:

<http://sao.georgia.gov>

State Accounting Office – Statewide Accounting